



12392-B
RECORDATION NO. Filed 1425

0-310A016

NOV 5 1980 - 2 20 PM

INTERSTATE COMMERCE COMMISSION

October 29, 1980

No. 1
Date NOV 5 1980

Fee \$ 150.00
Owe you 12/0
ICC Washington, D.C.

12392
RECORDATION NO. Filed 1425

COMMERCE BANK
of Kansas City^{NA}

Box 248 Kansas City, Missouri 64141
Phone: 816-234-2000

A Commerce Bancshares Affiliate

NOV 5 1980 - 2 20 PM

Interstate Commerce Commission
12th and Constitutional Avenue N.W.
Washington, D.C. 20423

ATTENTION: Mildred Lee
Room 2303

INTERSTATE COMMERCE COMMISSION

12392-A
RECORDATION NO. Filed 1425

NOV 5 1980 - 2 20 PM

FEE OPERATION BR.
T.C.C.
NOV 6 12 12 PM '80

Dear Miss Lee:

INTERSTATE COMMERCE COMMISSION

Enclosed are several documents to be recorded with the Interstate Commerce Commission in order that the interests of Commerce Bank of Kansas City will be of record. The following documents are to be filed:

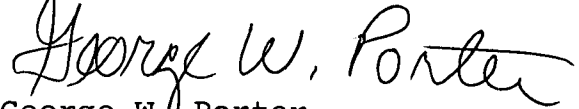
- (1) Lease Agreement No. FWI-9
Date: October 1, 1980
Lessor: Fremont & Western, Inc.
P. O. Box 80269
Lincoln, Nebraska 68501
Lessee: Lincoln Grain, Inc.
P. O. Box 436
Atchison, Kansas 66002
- (2) Assignment (With Recourse) of Lease No. FWI-9
Date: October 31, 1980
Assignor: Fremont & Western, Inc.
(For address see above)
Assignee: Commerce Bank of Kansas City, N.A., Missouri
922 Walnut Street
Kansas City, Missouri 64106
Lessee: Lincoln Grain, Inc.
(For address see above)
- (3) Security Agreement (Leased Goods & Related Leases)
Date: October 31, 1980
Bank: Commerce Bank of Kansas City, N.A., Missouri
(For address see above)
Borrower: Fremont & Western, Inc.
(For address see above)

Enclosed is a check for \$150.00 to cover necessary filing fees. If that amount is more than the fees, please remit the difference to Commerce Bank of Kansas City.

Interstate Commerce Commission
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Also enclosed is a duplicate copy of all documents. Please return all copies to me with the date, time, and place of recording noted on them. If possible, would you please call me at 816-234-2731 when the documents are filed, so that I can advance the funds. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "George W. Porter". The signature is written in dark ink and is positioned above the printed name and title.

George W. Porter
Assistant Vice President

GWP:pag

Enclosures

SECURITY AGREEMENT
(Leased Goods and Related Leases)

COMMERCE BANK OF KANSAS CITY, N.A., Kansas City, Missouri, (Herein Called "Bank")
Fremont & Western, Inc. (the "Borrower"), for and in consideration of any loan or advance made

by Bank, including extensions or renewals of any such loan or advance, and any and all other liabilities of the Borrower to the Bank, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, (all of which together with any note or other evidence thereof are herein called the "Obligations"), hereby agrees with Bank as follows:

1. As security for payment of the Obligations, the Borrower hereby assigns to the Bank, and grants the Bank a continuing security interest in the property described in (a), (b) and (c) below (the "Collateral"):

(a) The following goods, including all accessories, parts and equipment now or hereafter affixed or appertaining thereto and all substitutions or replacements for any such goods, (hereby referred to as "Goods").

Schedule A	DESCRIPTION OF GOODS SUBJECT TO SECURITY AGREEMENT	XXXXXX
1	Fifty (50) Covered Railroad Grain Hopper Cars numbered:	
X	LGIX 1063 through and including LGIX 1087 and	
X	LGIX 560 through and including LGIX 584.	12392-13
X		RECORDATION NO., Filed 14th
X		NOV 5 1980 - 2 20 PM
X		INTERSTATE COMMERCE COMMISSION
X		
X		

(b) The following lease agreements and all other leases, options, sale contracts and other agreements now or hereafter pertaining to the Goods or any item thereof, together with any renewals, extensions or modifications thereof or amendments thereto, (the "Leases"), including all rents and other sums payable thereunder and all rights, powers, privileges and remedies of the Borrower thereunder.

Schedule B	DESCRIPTION OF RELATED LEASE(S)			
Leased Goods (show item no(s) from above)	Leasor	Lessee	Date	XXXXXX XXXXXX
1	(1) Lease between Fremont & Western, Inc. (Lessor) & Lincoln Grain, Inc.			
2	(Lessee) dated October 1, 1980; and Assignment (With Recourse)			
3	between Fremont & Western, Inc. and Commerce Bank of Kansas City,			
4	N.A., dated October 31 , 1980; and if there is any conflict between			
5	this Security Agreement or the Assignment, the terms of this			
6	Security Agreement will prevail.			
7				

(c) All cash and non-cash proceeds of the foregoing, immediate and remote.

2. The Bank does not by this Agreement or otherwise assume any of the obligations of the Borrower under the Leases and shall not be responsible in any way for the performance by the Borrower of any of the covenants, terms or conditions thereof, any other undertaking or liability of the Borrower or any express or implied warranty concerning the Goods.

3. The Borrower hereby warrants, covenants and agrees that:

(a) if any of the Goods are being acquired with the proceeds of any loan to be made by the Bank, such proceeds may be disbursed by the Bank directly to the seller of such Goods;

(b) all agreements, amendments, and other documents evidencing the Leases as they presently exist have been or forthwith will be delivered to the Bank;

(c) its records concerning the Collateral, including all records concerning the Leases, will be kept at its principal place of business specified at the end of this Agreement;

(d) it has, or forthwith will acquire, full title to the Goods, and will at all times keep the Collateral free of all liens and claims whatsoever other than the security interest hereunder and rights of the lessee(s) under the Lease(s);

(e) no financing statement (other than any which may have been filed on behalf of the Bank) covering any of the Collateral is, or will be, on file in any public office and it will from time to time, on request of the Bank, execute such financing statements and other documents and do such other acts and things as the Bank may deem necessary to establish and maintain a valid and perfected first priority security interest in the Collateral, including, without limitation, the execution of applications for certificates of ownership or title on motor vehicles naming the Bank as first lien holder and/or the delivery of such certificates to the Bank;

(f) it will reimburse the Bank for all costs incident to perfecting and keeping perfected the security interest granted hereby, including filing and recording fees, fees for obtaining and transferring certificates of title, and all taxes and legal and clerical expense paid or incurred by the Bank in connection with any of the foregoing;

(g) it has not received any payment of rents or any other sum payable under the Leases more than one month in advance of the due date thereof and will not accept any such payment without concurrently applying the monies so received in reduction of the Obligations;

(h) it will keep, or will cause the lessees under the Leases to keep, the Goods in first class order, repair and operating condition, and will not use or permit the use of the Goods in violation of any statute, ordinance or insurance policy;

(i) it will pay, or cause the lessees under the Leases to pay, promptly when due all taxes, fees and assessments on the Collateral or for its use or operation, or upon this Agreement or any note secured hereby or the perfection of any lien hereunder;

(j) It will at all times keep the Goods insured against loss, damage, theft or other risks (including in the case of motor vehicles collision and comprehensive additional coverages, and, to the extent not included therein, fire and extended coverage), and, if the Bank so requests, maintain or cause to be maintained liability insurance in respect of the Goods, in such amounts and companies and under such policies in such form, all as shall be satisfactory to the Bank, which policies (except policies of liability insurance) shall provide that loss thereunder shall be payable to the Bank as its interest may appear and shall provide for ten days minimum written notice of cancellation to the Bank, and such policies or certificates therefore shall be deposited with the Bank;

(k) it will not permit anything to be done that might impair, or fail to do anything necessary to preserve, the value of the Collateral or any insurance coverage on the Goods; and

(1) it will upon demand, furnish to the Bank, such information concerning its business and financial affairs and the Collateral as the Bank may reasonably request, and will maintain adequate books and records concerning the same, including records of all payments under the Leases, and permit the Bank to inspect the Collateral and inspect or copy the books and records so maintained at any reasonable time.

4. The Borrower will not sell, transfer or otherwise dispose of any item of the Goods or grant or enter into any option or contract for such purpose, nor will it enter into any future Lease or consent to or enter into any renewal, extension or termination or other amendment or modification of any present or future Lease, except pursuant to transactions in the ordinary course of its business reasonably calculated to maintain the ratio of the value of the Collateral to the amount of the Obligations as then existing (giving effect to changes in the constitution of the Collateral and reductions in the Obligations resulting from such transactions), and the Borrower will immediately (a) notify the Bank in writing of all such transactions; (b) deposit with the Bank for application to the Obligations all proceeds of any such disposition of Goods for cash or its equivalent; (c) cause the Bank's security interest to be perfected in all proceeds of any such disposition of Goods consisting of instruments; chattel paper or other evidences of debt or motor vehicles for which Goods are traded or exchanged by delivery of such evidences of debt to the Bank or notation of its lien on the certificates of title for such motor vehicles; and (d) deposit with the Bank all agreements, amendments and other documents hereafter entered into evidencing the Leases as they from time to time exist.

5. Until otherwise notified by the Bank, the Borrower will take all actions necessary to enforce the Leases and collect rents and other sums due thereon together with the proceeds of any insurance on the Goods, provided that all proceeds of insurance payable on account of loss of or damage to the Goods shall (to the extent the Bank has not been named as loss payee and received such proceeds directly) be held in trust for the Bank and shall be applied, at the Bank's option, either to the repair or replacement of the Goods affected thereby or to reduction of the Obligations. If the Bank shall so request, the Borrower will cause all remittances on account of rents and other sums due on the Leases to be mailed to a post office lock box established by the Borrower and the Bank to which the Bank shall have exclusive access, for the purpose of assuring that all such remittances are deposited at the Bank. In further exercise of its rights in respect of the Collateral, the Bank, in its own or the Borrower's name, and at any time following the occurrence of a Default, without notice and at Borrower's expense, may, but shall not be obligated to: (a) notify any obligor or account debtor on the Leases to make payment directly to the Bank (and in lieu thereof the Borrower agrees to itself give any such notice upon request of the Bank); (b) collect by legal proceedings or otherwise and endorse, receive and receipt for all rents and other sums payable on the Leases; (c) enter into any extensions modification or renewal or other agreement pertaining to the Leases; and (d) enter into any compromise or settlement, or take any other action it deems advisable in respect of the Leases and otherwise exercise all rights, powers, privileges and remedies that it would have were it the owner of the same.

6. The Bank may from time to time, at its option, perform any agreement of the Borrower hereunder which the Borrower shall fail to perform and take any other action which the Bank deems necessary for the maintenance or preservation of the Collateral or its interest therein (including, without limitation, the discharge of taxes or liens of any kind against the Collateral or the procurement of insurance), and the Borrower agrees to forthwith reimburse the Bank for all expenses of the Bank in connection with the foregoing, together with interest thereon at the rate of 10% per annum from the date incurred until reimbursed by the Borrower. The Bank may for such purposes act in its own name or that of the Borrower and may also so act for the purpose of adjusting, settling or cancelling any policy of insurance on the Goods or endorsing any draft received in connection therewith, for all of which purposes the Borrower hereby grants to any officer of the Bank its power of attorney, irrevocable so long as any of the Obligations shall be outstanding.

7. The occurrence of any of the following events or conditions shall constitute a Default (as such term is used herein): (a) non-payment, when due, of any amount payable on any of the Obligations or failure to perform any covenant or agreement of the Borrower contained or referred to herein or in any schedule or exhibit attached hereto or otherwise made a part hereof; (b) if any statement, representation or warranty of the Borrower herein or in any other writing at any time furnished by the Borrower to the Bank if untrue in any material respect as of the date made; (c) if any Obligor (which term, as used herein, shall mean the Borrower and each other party primarily or secondarily liable on any of the Obligations) becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors, or any proceeding is instituted by or against any Obligor alleging that such Obligor is insolvent or unable to pay debts as they mature; (d) death of any Obligor who is a natural person, or of any partner of any Obligor which is a partnership; (e) dissolution, termination of existence or operations, merger or consolidation, or transfer (other than in the ordinary course of its business) of a substantial part of the property of any Obligor which is a corporation or partnership; (f) any event which results in acceleration of the maturity of any indebtedness of the Borrower to any other creditor under any note, indenture, agreement or undertaking; or (g) if the Bank for reasonable cause of any nature deems itself to be insecure. Upon the occurrence of a Default and at any time thereafter, all notes evidencing Obligations and all other Obligations may (notwithstanding any provisions thereof), at the option of the Bank, and without demand or notice of any kind, be declared, and thereupon immediately shall become, due and payable, and the Bank may exercise from time to time all rights and remedies available to it hereunder or under the Uniform Commercial Code or other applicable law. The Borrower agrees, in case of Default, to assemble the Collateral at its expense at a convenient place acceptable to the Bank and to pay all costs of the Bank of collection of the Obligations, and enforcement of rights hereunder or under law, including reasonable attorneys' fees and legal expenses. If any notification of intended disposition of any of the Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least five days before such disposition, postage prepaid, addressed to the Borrower either at the address shown below, or at any other address of the Borrower appearing on the records of the Bank. Any proceeds of any disposition of any of the Collateral may be applied by the Bank to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by the Bank toward the payment of such of the Obligations, and in such order of application, as the Bank may from time to time deem appropriate. The Bank may, at its discretion, apply any surplus to the payment of indebtedness of the Borrower to third parties claiming a secondary security interest in the Collateral.

8. The Borrower hereby acknowledges that it is aware of the constitutional rights to notice and a hearing prior to recovery of property by a secured creditor by replevin or other court proceedings. The Borrower is also aware that such rights may exist in other circumstances. In order to induce the Bank to enter into and continue credit arrangements with it, the Borrower hereby waives all such rights to prior notice and hearing should the Bank find it necessary to recover the property in which the Borrower has granted the Bank a security interest, whether by replevin or other court proceedings, by self-help repossession or by any other lawful means.

9. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as the Borrower requests in writing, but failure of the Bank to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Bank to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act for the preservation of such Collateral not so requested by the Borrower, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

10. In the event that any claim shall be asserted against the Bank or action brought against it by any lessee under the Leases or purchaser of the Goods on the basis of fraud or breach of warranty, or for violation of any state or federal law regulating the rate of return or finance charge on or other terms of, or requiring disclosure in connection with, leases or extensions of credit (including, without limitation, the federal Truth-in-Lending Act, retail installment sales laws, consumer credit laws and usury laws), the Borrower hereby agrees to indemnify the Bank against all liability, costs and expenses, including attorney's fees, arising therefrom, and to assume the defense of any such claim or action at its own expense if the Bank shall so request.

11. No delay on the part of the Bank in the exercise of any right hereunder shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right shall preclude other or further exercise thereof or the exercise of any other right. Each and every right granted to the Bank hereunder, under any other security agreement or any note, loan agreement, mortgage, pledge or other such instrument or document, or at law or in equity, shall be deemed cumulative and may be exercised from time to time. Any waiver of a Default shall be in writing and shall not operate as a waiver of any other Default or the same Default on a future occasion. If more than one party shall execute this Agreement, the term "Borrower" shall mean all parties signing this agreement and each of them, and all such parties shall be jointly and severally obligated hereunder. The neuter pronoun, when used herein, shall include the masculine and feminine and also the plural. If this agreement is not dated when executed by the Borrower, the Bank is authorized, without notice to the Borrower, to date this agreement.

12. This agreement shall be governed by and be construed in accordance with the laws of the State of Missouri. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

13. The additional provisions, if any, set forth or referred to below (including any warranties, covenants or agreements contained therein) are hereby made a part of this Agreement: Assignment (With Recourse), dated Oct. 31, 1980, between Fremont & Western, Inc. and Commerce Bank of Kansas City, N.A.

14. The rights and privileges of the Bank hereunder shall inure to the benefit of its successors and assigns.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the 31ST day of OCTOBER, 1980.

Borrower's Address
(Principal place of business)

P.O. Box 80269

LINCOLN, NE 68501

Commerce Bank
(Bank)
By [Signature]
Title: President
(Borrower)
BY PRESIDENT
Title:

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

On this 31ST day of OCTOBER, 1980, before me personally appeared ROBERT S. CARMILL, to me personally known, who being by me duly sworn, says that he is PRESIDENT of FREMONT & WESTERN, INC., a Kansas corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lindyne R. Beeck
Notary Public

My commission expires:



STATE OF MISSOURI)
)ss..
COUNTY OF JACKSON)

On this 31st day of October, 1980, before me personally appeared George W. Porter, to me personally known, who being by me duly sworn, says that he is Assistant Vice President of COMMERCE BANK OF KANSAS CITY, National Association, that said instrument was signed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Ruth A. McCartney
Notary Public
RUTH A. McCARTNEY
NOTARY PUBLIC STATE OF MISSOURI
JACKSON CO.
MY COMMISSION EXPIRES DEC 8 1983

My commission expires:
